

REQUEST FOR APPROVAL

To: **Howard Levenson**
Deputy Director, Materials Management and Local Assistance Division

From: **Shirley Willd-Wagner**
Branch Chief, Financial Resources Management Branch

Request Date: December 15, 2010

Decision Subject: Approval of Household Hazardous Waste Grant Program Eligibility, Scoring Criteria, and Evaluation Process (Integrated Waste Management Account, FY 2010/11)

Action By: December 24, 2010

Summary of Request: This memo requests approval of the Household Hazardous Waste (HHW) Grant Program eligibility, scoring criteria and evaluation process (Integrated Waste Management Account) for fiscal year (FY) 2010/11.

Staff will conduct the FY 2010/11 HHW grant cycle using the application review and evaluation process applied in past cycles, except as described on pages 3-4 of this memo. As a result of a reduced allocation of \$1.5 million, staff recommends the following changes be implemented for this grant offering:

- Project Eligibility - (1) limit sharps collection costs to \$20,000 per grant award; (2) eliminate funding for planning and design of HHW facilities; (3) limit funding for HHW facility construction to projects where the permitting, licensing, and siting processes are already underway; and (4) reduce the maximum grant amount.
- Scoring Criteria Process –reduce the scoring categories and total number of possible points.
- Discretionary Criteria - based on stakeholder input, provide priority points to: (1) HHW facility construction or expansion projects; (2) projects that will increase cost-effective collection operations at an existing HHW facility; and (2) education and outreach campaigns that build on other successful models from other jurisdictions.

Recommendation: Staff recommends approval of the proposed applicant eligibility, scoring criteria and evaluation process for the HHW Grant Program for FY 2010/11.

Deputy Director Action:

On the basis of the information and analysis in this Request for Approval and the findings set out herein, I hereby approve the eligibility criteria, scoring criteria and evaluation process for the HHW Grant Program for FY 2010/11.

Dated: _____

Howard Levenson, Deputy Director
Materials Management and Local Assistance Division

Background Information

California Public Resource Code (PRC) Section 47200(a) authorizes CalRecycle to award grants to local government agencies for programs to reduce Household Hazardous Waste (HHW) disposal. PRC 47200(a) indicates in part: "...grants to cities, counties, or other local agencies with responsibility for solid waste management, and for local programs to help prevent the disposal of hazardous waste at disposal sites, including, but not limited to, programs to expand or initially implement household hazardous waste programs." Pursuant to this, CalRecycle provides local government funding for programs to expand or initially implement HHW programs for collection, public education, and load checking, and programs emphasizing waste reduction, source reduction, reuse, or recycling of HHW. These competitive grants target cities, counties, and other local agencies with responsibility for solid waste management programs that reduce the amount of HHW disposed of at solid waste landfills, including Qualifying California Indian Tribes that are responsible for solid waste management. Since FY 1990/91, 22 grant cycles have awarded over \$65,000,000 to fund 669 HHW grants to local government entities. For the FY2010/11 HHW Grant Cycle, one million five hundred thousand dollars (\$1,500,000) is available.

The table below summarizes the history of the HHW Grant Program since FY 2006/07:

FY	HD Cycle No.	Program Priorities	Total # Applicants	Total # Grants	Total Funding	Max Award for Regional	Max Award for Individual
09/10	18	Cycle 17 applications with passing scores were funded with FY 09/10 money	7	7	\$1.5M	\$400,000	\$250,000
08/09	17	Construction of sustainable HHW collection facilities; implementation of retail take back; EPR programs and initiatives	33	18	\$5.0M	\$400,000	\$250,000
07/08	16F	Establish permanent HHW collection facility (PHHWCF); expand PHHWCF to accommodate U-Waste; and/or pilot targeted U-Waste programs	35	22	\$4.5M	\$300,000	\$200,000
06/07	15F	Establish PHHWCF; expand PHHWCF to accommodate U-Waste; and/or pilot targeted U-Waste programs	42	19	\$4.0M	\$300,000	\$200,000

Proposed Changes

Staff will conduct the FY 2010/11 grant cycle utilizing much of the same application review and evaluation process as in past cycles; and in accordance with processes outlined in the Grants Desk Manual. However, staff is proposing the following changes in response to feedback expressed by stakeholders and staff's evaluation of past grant cycles:

Project Eligibility:

1. Limit all costs for sharps collection to \$20,000 per grant award. In September 2008, State law (Section 118286 of the California Health and Safety Code) made it illegal to dispose of home-generated sharps waste in the trash or recycling containers, and requires that sharps waste be transported to a collection center in an approved sharps container. This law also permits an HHW facility to collect home-generated sharps; however, sharps are technically defined as a medical waste. For the past two years, the HHW grants program allowed sharp-related collection expenses of up to \$40,000 per grant. With limited funding available for 2010/11 cycle, sharps collection costs will be reduced to \$20,000. It is likely that this is the last year that sharps management costs will be eligible under the HHW grant program.
2. Eliminate funding to research, plan and design of HHW facilities. Planning and design grants were allowed starting in 2006/07 as an eligible project. The economic downturn had not yet impacted local governments significantly. With the recent closing of the FY 2007/08 grants in March 2010, CalRecycle staff noticed that many HHW facility construction projects had either not begun or had failed to be completed within the grant term due to delayed planning processes. Some of these issues were due to an inability to secure a facility location where the appropriate permits could be obtained.

With limited funding available in FY 2010/11 and the current economic downturn, only projects that are likely to be completed within the grant term will be eligible for funding. Research, planning and design projects are not considered a priority at this time and will not be eligible expenditures.

3. Limit funding for HHW facility construction to projects where the permitting, licensing and siting approval process is underway. Construction of a new HHW facility can be a challenging project to complete within the two-year grant term. During the FY 2007/08 cycle, three grants were awarded to construct new HHW facilities. All of the projects failed to begin construction because of siting and permitting issues. As a result, a total of \$604,253 was not expended. Results from the HHW 2010 Survey indicate that respondents are still in favor of allocating priority funding to HHW facility construction and expansion; however, almost 75 percent of respondents indicated that applicants should have a site identified and approved by local authorities to be an eligible project. In response to stakeholder comments and based on experience with more successful HHW facility projects, staff recommends that HHW grants only fund facility construction projects where the required siting, permitting, and licensing approvals are well underway. "Well underway" is defined as projects that are past the research, planning and design phase of HHW construction projects. Additionally, the application will instruct applicants to provide specific information on the location of the site and verification on the stage of licensing and permitting that the project has achieved. CalRecycle staff scoring the grant applications will be experienced with HHW facility practices and will be briefed about previous cycle issues.
4. Maximum Grant Award Amounts. In FY 2010/11, \$1.5 million is allocated for the HHW Grant Program. Since this program is typically oversubscribed, staff proposes reducing the maximum grant award amount in order to fund more qualified applicants as follows:
 - Single Jurisdiction applicant - \$150,000
 - Regional applicant - \$300,000

Scoring Criteria Process:

Staff proposes reducing the number of scoring criteria categories to improve program administration for both applicants and staff. The application will be reduced to six sections: Need, Workplan, Budget, Application Completeness, Program Criteria and Bonus Points. Staff recommends incorporating project “goals and objectives” into the Need Section and moving “project evaluation” into the Work Plan Section of the application. In line with reducing the scoring criteria categories, the total number of possible criteria points will also be reduced from 100 to 25 points.

Bonus points will continue to be awarded to applicants who have not received an HHW grant since FY 2007/08; and to applicants that are defined as rural, underserved or small cities.

Discretionary Criteria:

Over the past year, staff has solicited stakeholder input, via HHW Information Exchange quarterly meetings, the California Resources Recycling Association Conference, Final grant reports, and the HHW Grantee 2010 Survey, about how HHW grant funds can best meet grantees’ specific needs. This feedback indicates that a majority of the grantees are still in favor of focusing the limited funding on HHW collection facilities. Based on stakeholder feedback, the current economic needs of many jurisdictions, and reduced grant allocation for FY 2010/11, staff recommends the following project priorities for the FY 2010/11 Cycle:

- Construction or expansion of HHW facility(ies)
- Development of more cost-effective collection operations at existing HHW facilities (i.e., improving collection workflow patterns, implementing more efficient materials handling, or waste exchange programs)
- New public education and outreach projects that take advantage of successful models from other jurisdictions through re-use or modifications of existing materials to reduce design and printing costs

Proposed Cycle Timeline

Date	Activity
December 14, 2010	FY 2010/11 program criteria presented to Department of Resources Recycling and Recovery Public Meeting
December 17, 2010	Post Notice of Funds Available, Application and Application Guidelines and Instructions on the website
February 17, 2011	Applications due
February/March 2011	Conduct application evaluation/review process; determine funding for eligible applicants
May 10, 2011	Grants awarded
May – June 2011	Grant Agreements executed; grant term ends April 8, 2013

Attachment: Scoring Criteria For Household Hazardous Waste Grant Program, 19th Cycle, FY 2010/11